

PROPOSITION 202

OFFICIAL TITLE

AN INITIATIVE MEASURE

REPEALING SECTION 23-362, AMENDING BY ADDING NEW SECTION 23-362 RELATING TO THE ARIZONA MINIMUM WAGE ACT

TEXT OF PROPOSED AMENDMENT

Section 1. This act may be cited as the "Raise the Minimum Wage for Working Arizonans Act"

Section 2. Purpose and intent

The People of the State of Arizona hereby make the following findings and declare their purpose in enacting this Act is as follows:

Article 8. Minimum Wage

The People of the State of Arizona hereby make the following findings and declare their purpose in enacting this Act is as follows:

1. All working Arizonans deserve to be paid a minimum wage that is sufficient to give them a fighting chance to provide for their families.
2. 70% of Arizona workers earning the minimum wage are adults.
3. More than 145,000 working Arizonans will benefit by increasing the minimum wage, half of whom are working women struggling to live on less than \$11,000 per year.
4. Increasing the minimum wage reduces dependency on taxpayer-funded public services

23-362. DEFINITIONS

AS USED IN THIS ARTICLE, UNLESS THE CONTEXT OTHERWISE REQUIRES:

A. "EMPLOYEE" MEANS ANY PERSON WHO IS OR WAS EMPLOYED BY AN EMPLOYER BUT DOES NOT INCLUDE ANY PERSON WHO IS EMPLOYED BY A PARENT OR A SIBLING, OR WHO IS EMPLOYED PERFORMING BABYSITTING SERVICES IN THE EMPLOYER'S HOME ON A CASUAL BASIS.

B. "EMPLOYER" INCLUDES ANY CORPORATION, PROPRIETORSHIP, PARTNERSHIP, JOINT VENTURE, LIMITED LIABILITY COMPANY, TRUST, ASSOCIATION, POLITICAL SUBDIVISION OF THE STATE, INDIVIDUAL OR OTHER ENTITY ACTING DIRECTLY OR INDIRECTLY IN THE INTEREST OF AN EMPLOYER IN RELATION TO AN EMPLOYEE, BUT DOES NOT INCLUDE THE STATE OF ARIZONA, THE UNITED STATES, OR A SMALL BUSINESS.

C. "SMALL BUSINESS" MEANS ANY CORPORATION, PROPRIETORSHIP, PARTNERSHIP, JOINT VENTURE, LIMITED LIABILITY COMPANY, TRUST, OR ASSOCIATION THAT HAS LESS THAN FIVE HUNDRED THOUSAND DOLLARS IN GROSS ANNUAL REVENUE AND THAT IS EXEMPT FROM HAVING TO PAY A MINIMUM WAGE UNDER SECTION 206(A) OF TITLE 29 OF THE UNITED STATES CODE.

D. "EMPLOY" INCLUDES TO SUFFER OR PERMIT TO WORK; WHETHER A PERSON IS AN INDEPENDENT CONTRACTOR OR AN EMPLOYEE SHALL BE DETERMINED ACCORDING TO THE STANDARDS OF THE FEDERAL FAIR LABOR STANDARDS ACT, BUT THE BURDEN OF PROOF SHALL BE UPON THE PARTY FOR WHOM THE WORK IS PER-

FORMED TO SHOW INDEPENDENT CONTRACTOR STATUS BY CLEAR AND CONVINCING EVIDENCE.

E. "WAGE" MEANS MONETARY COMPENSATION DUE TO AN EMPLOYEE BY REASON OF EMPLOYMENT, INCLUDING AN EMPLOYEE'S COMMISSIONS, BUT NOT TIPS OR GRATUITIES.

F. "LAW ENFORCEMENT OFFICER" MEANS THE ATTORNEY GENERAL, A CITY ATTORNEY, A COUNTY ATTORNEY OR A TOWN ATTORNEY.

G. "COMMISSION" MEANS THE INDUSTRIAL COMMISSION OF ARIZONA, ANY SUCCESSOR AGENCY, OR SUCH OTHER AGENCY AS THE GOVERNOR SHALL DESIGNATE TO IMPLEMENT THIS ARTICLE.

23-363. MINIMUM WAGE

A. EMPLOYERS SHALL PAY EMPLOYEES NO LESS THAN THE MINIMUM WAGE, WHICH SHALL BE SIX DOLLARS AND SEVENTY-FIVE CENTS (\$6.75) AN HOUR BEGINNING ON JANUARY 1, 2007.

B. THE MINIMUM WAGE SHALL BE INCREASED ON JANUARY 1, 2008 AND ON JANUARY 1 OF SUCCESSIVE YEARS BY THE INCREASE IN THE COST OF LIVING. THE INCREASE IN THE COST OF LIVING SHALL BE MEASURED BY THE PERCENTAGE INCREASE AS OF AUGUST OF THE IMMEDIATELY PRECEDING YEAR OVER THE LEVEL AS OF AUGUST OF THE PREVIOUS YEAR OF THE CONSUMER PRICE INDEX (ALL URBAN CONSUMERS, U.S. CITY AVERAGE FOR ALL ITEMS) OR ITS SUCCESSOR INDEX AS PUBLISHED BY THE U.S. DEPARTMENT OF LABOR OR ITS SUCCESSOR AGENCY, WITH THE AMOUNT OF THE MINIMUM WAGE INCREASE ROUNDED TO THE NEAREST MULTIPLE OF FIVE CENTS.

C. FOR ANY EMPLOYEE WHO CUSTOMARILY AND REGULARLY RECEIVES TIPS OR GRATUITIES FROM PATRONS OR OTHERS, THE EMPLOYER MAY PAY A WAGE UP TO \$3.00 PER HOUR LESS THAN THE MINIMUM WAGE IF THE EMPLOYER CAN ESTABLISH BY ITS RECORDS OF CHARGED TIPS OR BY THE EMPLOYEE'S DECLARATION FOR FEDERAL INSURANCE CONTRIBUTIONS ACT (FICA) PURPOSES THAT FOR EACH WEEK, WHEN ADDING TIPS RECEIVED TO WAGES PAID, THE EMPLOYEE RECEIVED NOT LESS THAN THE MINIMUM WAGE FOR ALL HOURS WORKED. COMPLIANCE WITH THIS PROVISION WILL BE DETERMINED BY AVERAGING TIPS RECEIVED BY THE EMPLOYEE OVER THE COURSE OF THE EMPLOYER'S PAYROLL PERIOD OR ANY OTHER PERIOD SELECTED BY THE EMPLOYER THAT COMPLIES WITH REGULATIONS ADOPTED BY THE COMMISSION.

23-364. ENFORCEMENT

A. THE COMMISSION IS AUTHORIZED TO ENFORCE AND IMPLEMENT THIS ARTICLE AND

Spelling, grammar and punctuation were reproduced as submitted in the "for" and "against" arguments.

MAY PROMULGATE REGULATIONS CONSISTENT WITH THIS ARTICLE TO DO SO.

B. NO EMPLOYER OR OTHER PERSON SHALL DISCHARGE OR TAKE ANY OTHER ADVERSE ACTION AGAINST ANY PERSON IN RETALIATION FOR ASSERTING ANY CLAIM OR RIGHT UNDER THIS ARTICLE, FOR ASSISTING ANY OTHER PERSON IN DOING SO, OR FOR INFORMING ANY PERSON ABOUT THEIR RIGHTS. TAKING ADVERSE ACTION AGAINST A PERSON WITHIN NINETY DAYS OF A PERSON'S ENGAGING IN THE FOREGOING ACTIVITIES SHALL RAISE A PRESUMPTION THAT SUCH ACTION WAS RETALIATION, WHICH MAY BE REBUTTED BY CLEAR AND CONVINCING EVIDENCE THAT SUCH ACTION WAS TAKEN FOR OTHER PERMISSIBLE REASONS.

C. ANY PERSON OR ORGANIZATION MAY FILE AN ADMINISTRATIVE COMPLAINT WITH THE COMMISSION CHARGING THAT AN EMPLOYER HAS VIOLATED THIS ARTICLE AS TO ANY EMPLOYEE OR OTHER PERSON. WHEN THE COMMISSION RECEIVES A COMPLAINT, THE COMMISSION MAY REVIEW RECORDS REGARDING ALL EMPLOYEES AT THE EMPLOYER'S WORKSITE IN ORDER TO PROTECT THE IDENTITY OF ANY EMPLOYEE IDENTIFIED IN THE COMPLAINT AND TO DETERMINE WHETHER A PATTERN OF VIOLATIONS HAS OCCURRED. THE NAME OF ANY EMPLOYEE IDENTIFIED IN A COMPLAINT TO THE COMMISSION SHALL BE KEPT CONFIDENTIAL AS LONG AS POSSIBLE. WHERE THE COMMISSION DETERMINES THAT AN EMPLOYEE'S NAME MUST BE DISCLOSED IN ORDER TO INVESTIGATE A COMPLAINT FURTHER, IT MAY SO DO ONLY WITH THE EMPLOYEE'S CONSENT.

D. EMPLOYERS SHALL POST NOTICES IN THE WORKPLACE, IN SUCH FORMAT SPECIFIED BY THE COMMISSION, NOTIFYING EMPLOYEES OF THEIR RIGHTS UNDER THIS ARTICLE. EMPLOYERS SHALL PROVIDE THEIR BUSINESS NAME, ADDRESS, AND TELEPHONE NUMBER IN WRITING TO EMPLOYEES UPON HIRE. EMPLOYERS SHALL MAINTAIN PAYROLL RECORDS SHOWING THE HOURS WORKED FOR EACH DAY WORKED, AND THE WAGES PAID TO ALL EMPLOYEES FOR A PERIOD OF FOUR YEARS. FAILURE TO DO SO SHALL RAISE A REBUTTABLE PRESUMPTION THAT THE EMPLOYER DID NOT PAY THE REQUIRED MINIMUM WAGE RATE. THE COMMISSION MAY BY REGULATION REDUCE OR WAIVE THE RECORDKEEPING AND POSTING REQUIREMENTS HEREIN FOR ANY CATEGORIES OF SMALL EMPLOYERS WHOM IT FINDS WOULD BE UNREASONABLY BURDENED BY SUCH REQUIREMENTS. EMPLOYERS SHALL PERMIT THE COMMISSION OR A LAW ENFORCEMENT OFFICER TO INSPECT AND COPY PAYROLL OR OTHER BUSINESS RECORDS, SHALL PERMIT THEM TO INTERVIEW EMPLOYEES AWAY FROM THE WORKSITE, AND SHALL NOT HINDER ANY INVESTIGATION. SUCH INFORMATION PROVIDED SHALL KEEP CONFIDENTIAL EXCEPT AS IS REQUIRED TO PROSECUTE VIOLATIONS OF THIS ARTICLE. EMPLOYERS SHALL PERMIT AN EMPLOYEE OR HIS OR HER DESIGNATED REPRESENTATIVE TO INSPECT AND COPY PAYROLL RECORDS PERTAINING TO THAT EMPLOYEE.

SENTATIVE TO INSPECT AND COPY PAYROLL RECORDS PERTAINING TO THAT EMPLOYEE.

E. A CIVIL ACTION TO ENFORCE THIS ARTICLE MAY BE MAINTAINED IN A COURT OF COMPETENT JURISDICTION BY A LAW ENFORCEMENT OFFICER OR BY ANY PRIVATE PARTY INJURED BY A VIOLATION OF THIS ARTICLE.

F. ANY EMPLOYER WHO VIOLATES RECORDKEEPING, POSTING, OR OTHER REQUIREMENTS THAT THE COMMISSION MAY ESTABLISH UNDER THIS ARTICLE SHALL BE SUBJECT TO A CIVIL PENALTY OF AT LEAST \$250 DOLLARS FOR A FIRST VIOLATION, AND AT LEAST \$1000 DOLLARS FOR EACH SUBSEQUENT OR WILLFUL VIOLATION AND MAY, IF THE COMMISSION OR COURT DETERMINES APPROPRIATE, BE SUBJECT TO SPECIAL MONITORING AND INSPECTIONS.

G. ANY EMPLOYER WHO FAILS TO PAY THE WAGES REQUIRED UNDER THIS ARTICLE SHALL BE REQUIRED TO PAY THE EMPLOYEE THE BALANCE OF THE WAGES OWED, INCLUDING INTEREST THEREON, AND AN ADDITIONAL AMOUNT EQUAL TO TWICE THE UNDERPAID WAGES. ANY EMPLOYER WHO RETALIATES AGAINST AN EMPLOYEE OR OTHER PERSON IN VIOLATION OF THIS ARTICLE SHALL BE REQUIRED TO PAY THE EMPLOYEE AN AMOUNT SET BY THE COMMISSION OR A COURT SUFFICIENT TO COMPENSATE THE EMPLOYEE AND DETER FUTURE VIOLATIONS, BUT NOT LESS THAN ONE HUNDRED FIFTY DOLLARS FOR EACH DAY THAT THE VIOLATION CONTINUED OR UNTIL LEGAL JUDGMENT IS FINAL. THE COMMISSION AND THE COURTS SHALL HAVE THE AUTHORITY TO ORDER PAYMENT OF SUCH UNPAID WAGES, OTHER AMOUNTS, AND CIVIL PENALTIES AND TO ORDER ANY OTHER APPROPRIATE LEGAL OR EQUITABLE RELIEF FOR VIOLATIONS OF THIS ARTICLE. CIVIL PENALTIES SHALL BE RETAINED BY THE AGENCY THAT RECOVERED THEM AND USED TO FINANCE ACTIVITIES TO ENFORCE THIS ARTICLE. A PREVAILING PLAINTIFF SHALL BE ENTITLED TO REASONABLE ATTORNEY'S FEES AND COSTS OF SUIT.

H. A CIVIL ACTION TO ENFORCE THIS ARTICLE MAY BE COMMENCED NO LATER THAN TWO YEARS AFTER A VIOLATION LAST OCCURS, OR THREE YEARS IN THE CASE OF A WILLFUL VIOLATION, AND MAY ENCOMPASS ALL VIOLATIONS THAT OCCURRED AS PART OF A CONTINUING COURSE OF EMPLOYER CONDUCT REGARDLESS OF THEIR DATE. THE STATUTE OF LIMITATIONS SHALL BE TOLLED DURING ANY INVESTIGATION OF AN EMPLOYER BY THE COMMISSION OR OTHER LAW ENFORCEMENT OFFICER, BUT SUCH INVESTIGATION SHALL NOT BAR A PERSON FROM BRINGING A CIVIL ACTION UNDER THIS ARTICLE. NO VERBAL OR WRITTEN AGREEMENT OR EMPLOYMENT CONTRACT MAY WAIVE ANY RIGHTS UNDER THIS ARTICLE.

I. THE LEGISLATURE MAY BY STATUTE RAISE THE MINIMUM WAGE ESTABLISHED UNDER THIS ARTICLE, EXTEND COVERAGE, OR INCREASE PENALTIES. A COUNTY, CITY, OR TOWN MAY BY ORDINANCE REGULATE MINIMUM WAGES AND

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**Arizona**  
**2006 Ballot Propositions**

**General Election**  
**November 7, 2006**

BENEFITS WITHIN ITS GEOGRAPHIC BOUNDARIES BUT MAY NOT PROVIDE FOR A MINIMUM WAGE LOWER THAN THAT PRESCRIBED IN THIS ARTICLE. STATE AGENCIES, COUNTIES, CITIES, TOWNS AND OTHER POLITICAL SUBDIVISIONS OF THE STATE MAY CONSIDER VIOLATIONS OF THIS ARTICLE IN DETERMINING WHETHER EMPLOYERS MAY RECEIVE OR RENEW PUBLIC CONTRACTS, FINANCIAL ASSISTANCE OR LICENSES. THIS ARTICLE SHALL BE LIBERALLY CONSTRUED IN FAVOR OF ITS PURPOSES AND SHALL NOT LIMIT THE AUTHORITY OF THE LEGISLATURE OR ANY OTHER BODY TO ADOPT ANY LAW OR POLICY THAT REQUIRES PAYMENT OF HIGHER OR

SUPPLEMENTAL WAGES OR BENEFITS, OR THAT EXTENDS SUCH PROTECTIONS TO EMPLOYERS OR EMPLOYEES NOT COVERED BY THIS ARTICLE.

Section 4. Severability

If any part of this law, or the application of the law to any person or circumstance, is held invalid, the remainder of this law, including the application of such part to other persons or circumstances, shall not be affected by such a holding and shall continue in full force and effect. To this end, the parts of this law are severable.

Section 5. Effective Date

This article shall take effect January 1, 2007.

**ANALYSIS BY LEGISLATIVE COUNCIL**

Based on the federal law, the current minimum wage in Arizona is \$5.15 per hour.

Proposition 202 would establish a state minimum wage law and raise the minimum wage to \$6.75 per hour beginning January 1, 2007. The state minimum wage would be increased each January 1 for changes in the cost of living.

The new state minimum wage law would apply to all employers except:

1. Any person who is employed by a parent or a sibling.
2. A person who is employed performing babysitting services in the employer's home on a casual basis.
3. Employees who regularly receive tips and who are otherwise exempt under federal minimum wage law.
4. The State of Arizona government. But political subdivisions of this state would have to comply with the state minimum wage law.
5. The United States government.
6. A business that has less than \$500,000 in gross annual revenue and that is exempt from having to pay a minimum wage under federal law.

Proposition 202 also contains employer notice and record keeping requirements and enforcement and civil penalty provisions. The Legislature, a county, a city or a town may enact a law providing for a higher minimum wage than established by this proposition.

**FISCAL IMPACT STATEMENT**

State law requires the Joint Legislative Budget Committee (JLBC) Staff to prepare a summary of the fiscal impact of certain ballot measures. The State may receive additional revenues in the form of civil penalties from violators of the provisions of Proposition 202. The state Industrial Commission will have responsibility to enforce these provisions. The civil penalties may be retained by the agency that recovered them and used to finance enforcement of the proposition. The total amount of civil penalties will depend on the level of compliance, which is difficult to predict in advance.

An increase in wages may also have an economic impact on state and local revenue collections and state spending. By increasing wages and business costs, the proposition may affect individual income tax, corporate income tax and sale tax collections. In addition, a minimum wage increase may affect participation in, and the cost of, public assistance programs. It is difficult to predict the impacts of the proposition on either state revenues or spending in advance.

**ARGUMENTS "FOR" PROPOSITION 202**

Raise the Minimum Wage and Reward Hard Work

The Raise the Minimum Wage Act for Working Arizonans increases the Minimum Wage to \$6.75 and will be adjusted one time each year to keep pace with the cost of living. Arizonans value hard work. It's simple....If you work 40 hours a week, 52 weeks a year you should not live in poverty. The minimum wage is supposed to assure "the maintenance of the minimum standard of living necessary for health, efficiency, and general well being of workers." No one can say our current minimum wage of \$5.15 an hour does this. A full time worker, who makes \$5.15 an hour, earns \$10,712 annually, which is significantly below the poverty line. We want low wage workers in our state to have a fighting chance to take care of themselves and their families. Raising the minimum wage to \$6.75 per hour with a yearly modest cost of living adjustment will increase a full time workers' salary to \$14,040.

74.4% of minimum wage workers are 20 and older. Women represent 57.8% of minimum wage workers. 33% are the primary wage earners for their families. These workers are often doing some of the most important work in our society, working in nursing homes, teachers' assistants and child care workers. Congress has refused to raise the Minimum Wage since 1996 and the Arizona Legislature has refused to have hearings on the issue. In response, the Arizona Minimum Wage Coalition and over 200,000 citizens have brought the issue to you. The 145,000 families who would currently receive the increased Minimum Wage on January 1, 2007, are asking you to do the right thing and show that Arizonans value hard work by voting yes on Proposition 202.

Rebekah Friend, Chair, Arizona Minimum Wage Coalition, Mesa

Sarah Markey, Treasurer, Arizona Minimum Wage Coalition, Phoenix

*Paid for by "Arizona Minimum Wage Coalition"*

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*Issued by: Secretary of State Jan Brewer*

**PROPOSITION 202**

Church Women United urges a YES vote on the "Raise the Minimum Wage for Working Arizonans" act. Although this measure does not provide a living wage, which would be higher, it does, at least, provide an improved minimum wage.

Church Women United was founded in 1941, and within four years, we were calling for a raise of the minimum wage-- to 65c and hour! In 1945 we said "The achievement of a minimum decent standard of living for all citizens is an objective consistent with the principals of Christianity and democracy." As family incomes fell behind, again and again, CWU consistently fought for fair increases, explaining in a 1965 policy statement that "minimum wage legislation, federal and state, should be supported as a practical and proven means to assure at least a minimum standard of living necessary for the maintenance of health and decency for family living." Practical and proven.

Will we be back, addressing this issue again? In the past, the battle for minimum protection of workers and families had to be fought every time the balance was tipped against them. But this ballot measure includes a mechanism to keep pace! Not as good as the pay raise mechanism that Congress has for itself, perhaps, but a real improvement over what exists now. Please vote YES.

Church Women United in Arizona

Pennie Doss, Treasurer, Glendale

Martha B. Hollcroft, Finance Chair, Phoenix

*Paid for by "Church Women United in Arizona"*

Imagine yourself working full time for an annual salary of about \$10,000. With that \$10,000 you have to pay for rent, transportation, food, medicine, clothing, and everything else necessary to live. Then imagine that your employer, like many nowadays only allows its employees to work 28-30 hours a week. That \$10,000 is now down to \$7,500. Could you make it on that salary? Could you make ends meet working two jobs? Three jobs? Lastly, imagine that you also have to care for one or more children on that income. Most of the people stuck in minimum wage jobs are women, and many of them have children to support.

It's time for a raise. Arizona's minimum wage workers haven't had one in almost 9 years. Anyone who works full time, and who works as hard as most minimum wage earners are required to do, should take home enough money to actually be able to live without being homeless, hungry, and without health care.

Don't listen to the scare stories. Other states have raised their minimum wage without losing jobs or putting small businesses into bankruptcy. The Arizona National Organization for Women (NOW) urges you to bring thousands of our children out of poverty by **voting Yes on I-13-2006**.

Karen Van Hooft, State Coordinator, Policy/  
Spokesperson, Arizona NOW, Scottsdale

Eric Ehst, State Coordinator, Political Action,  
Arizona NOW, Phoenix

*Paid for by "Arizona NOW"*

**Vote "YES" on Proposition 202 to increase the minimum wage for hard-working Arizonans and establish a State minimum wage.** Federal law sets the floor on the minimum wage at \$5.15 per hour, but individual states can enact legislation to pay a higher minimum wage. The U. S. Department of Labor reports that 17 states pay a minimum wage higher than the \$5.15 under the federal law. We urge Arizonans to make our state the 18th to do so. Since September 1, 1997, the federal minimum wage has not increased and Arizona's families cannot afford to wait for Congress to approve an increase. Proposition 202 sets the minimum wage at \$6.75 an hour, certainly not a liveable wage but much better than what exists today.

We have an opportunity to improve the lives of fellow Arizonans, to help people out of poverty, to decrease the welfare rolls, and improve Arizona's economy by increasing our state's minimum wage. The wages of hard working Arizonans have not increased, but their living expenses, housing expenses, and medical costs have continued to rise at an astronomical rate. Due to low wages, many Arizonans cannot adequately provide for their families, have experienced the loss of their family home, and cannot buy the necessary medication for an illness. Also, with gas prices at \$3 per gallon, who can afford to work for \$5.15!

We urge all of you to prove the validity of the NAU poll conducted March 15, 2006, that indicated that 81% of Arizona registered voters would vote "YES" to increase the minimum wage. By increasing our state's minimum wage, we have an opportunity to better the lives of many families throughout Arizona.

Proposition 202 represents sound and responsible public policy for Arizona and we ask that you **VOTE 'YES'**.

Jorge Luis Garcia, State Senator, Chairman,  
Legislative Latino Caucus, Tucson

Ben Miranda, State Representative, Chairman,  
Legislative Latino Caucus, Phoenix

*Paid for by "Jorge Luis Garcia"*

The Unitarian Universalist Church of Southeastern Arizona is in full support of the ballot measure to raise the minimum wage in Arizona.

The plight of minimum-wage earners in Arizona has become an emergency. As the Federal minimum wage has not been raised for over nine years, the value of \$5.15 an hour has dropped precipitously, leaving many individuals and families, though employed, with incomes below the poverty line. Raising the wage to \$6.75 would be a good first step in addressing this problem and would better reflect the moral and just society which we seek to create and sustain.

Furthermore, the built-in cost of living adjustments each year, far from being guaranteed "raises" that should

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be based on merit as some have suggested, are simply a way of ensuring that the minimum wage remains at an amount that approaches its true value in the marketplace. We are committed to building a society where it is expected that full-time workers earn enough to meet the necessities of food, clothing, and shelter. For an eye-opening comparison, in the last nine years in which the minimum wage has remained at \$5.15 (\$10,700 a year at full-time), annual Congressional pay has *increased* by \$31,000. And though we support this issue on the basis of our commitment to justice and equity within our communities, we approach it also with clear-eyed realism. Will raising the minimum wage create unforeseen challenges? Are there problems inherent in any such change in the economic landscape of our society? Of course! But it's time that we stop seeking solutions by demanding sacrifices exclusively from the poorest and most vulnerable members of our society. The challenges we face belong to all of us...together.

Ellen Taylor, President, Board of Trustees,  
Sierra Vista

Patricia Gerrodette, Treasurer, Sierra Vista

*Paid for by "Unitarian Universalist Church of Southeastern Arizona"*

As a candidate for the State Legislature in Legislative District 17, I fully support raising the minimum wage immediately. Currently, a full-time worker earning minimum wage is living under the poverty level. We should not expect our citizens to support their families on less than \$11,000 a year. Parents are forced to work two jobs to keep a roof over their heads and food on the table. Who is there to raise their children, help with homework, and be an involved parent? Raising the minimum wage is a moral issue, one that has been ignored for long enough.

The minimum wage has not been raised since 1996. Imagine not getting a raise for 10 years – this is a reality for many of our hard-working citizens. I have worked at several minimum-wage jobs, and was a waitress as a second job until I was 30. Food servers make \$2.13/hour. Imagine having to raise your family and feed your children on that, hoping that your patrons are generous enough that evening so you can average a decent salary. Please think about that the next time you go out for dinner.

Raising the minimum wage will not cause our state to suffer a significant negative economic impact. Evidence from past minimum wage hikes at the federal level indicates that there were no conclusive negative effects of raising the minimum wage. Fourteen states and the District of Columbia have minimum wages higher than the federal standard. Many of these increases were passed overwhelmingly by citizen initiatives. That is what I am asking of you – please vote "yes" on this initiative. We must continue to move Arizona forward, and fair wages for hard work is a huge step in the right direction. For more information about my campaign, please go to [www.angiecrouse.com](http://www.angiecrouse.com), or call 480-897-9444.

Angie Crouse, Chairman, Crouse for the House, Tempe

**Vote "YES" on Proposition 202 to raise the minimum wage and reduce poverty.**

No one who works full-time should get a wage so low that they still live in poverty. This is something I believe strongly in and as a Representative in the Arizona State House I fought hard to raise the Arizona minimum wage. Unfortunately, some of the leadership in the state house did not agree with me and consequently my legislation was never allowed to be voted on.

Fortunately, the voters of Arizona have an opportunity to stand up for the workers of this great state by voting to raise the minimum wage to \$6.75 and showing that we value hard-work and applaud self-sufficiency.

At the present minimum wage of \$5.15, a worker in our state that is supporting a family and working 40 hours a week, every week of the year, will earn less than \$11,000 a year. \$11,000 a year is hardly enough to support an individual, let alone a family. This financial strain almost always forces workers to get two or more jobs and work long shifts, often late into the evenings. These working poor rarely get the chance to see their family, yet day in and day out they work hard and strive to provide more for themselves and their loved-ones.

Currently, 15% of Arizona families live in poverty compared to 10% nationally, and 23% of Arizona children are living in poverty. The minimum wage must be raised to help these Arizona families work their way out of poverty. Raising the minimum wage to \$6.75 is a necessary step not only to help minimum wage workers get out of poverty but also ensure Arizona's children have an opportunity to get ahead too.

**Vote "YES" on Proposition 202.**

Submitted by the Arizona Minimum Wage Coalition.

State Representative Steve Gallardo, Honorary Co-Chair, Arizona Minimum Wage Coalition,  
Phoenix

*Paid for by "Arizona Minimum Wage Coalition"*

**ARIZONA'S FIREFIGHTERS ARE VOTING "YES" ON PROPOSITION 202.**

The Professional Fire Fighters of Arizona urge a "YES" vote on Proposition 202 to raise Arizona's minimum wage to \$6.75. Arizona's minimum wage has been frozen at \$5.15 for over a decade, while the costs of food, gas, and utilities continue to rise.

Someone working full-time shouldn't have to struggle just to keep the lights or air conditioning on in their home, but it happens. Hard-working Arizonans earning the current minimum wage often have to choose between food and electricity. Arizona's Fire Fighters are forced to respond to fires caused by candles being used in place of lights and to help heatstroke victims who couldn't afford to have air conditioning during the summer's heat.

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*Issued by: Secretary of State Jan Brewer*

**General Election  
November 7, 2006**

**Arizona  
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Voting "YES" on Proposition 202 will help hard-working citizens earn a fair wage to cover the most basic of needs. A "YES" vote will show that Arizonans value hard-work and believe that someone who works hard and plays by the rules deserves to earn a fair wage.

**Vote "YES" on Proposition 202**

Tim Hill, President, Professional Fire Fighters of  
Arizona, Phoenix

Bill Whitaker, Director of Political Affairs,  
Professional Fire Fighters of Arizona, Phoenix

*Paid for by "William G. Whitaker"*

It's time....it's time to raise the Minimum Wage.

This November voters have an opportunity, to strengthen Arizona families and reward the value of hard work. By raising the minimum wage we go well beyond helping just those individuals who benefit directly. We benefit all of Arizona's working families.

In Arizona, we can agree on two things; People who work hard and play by the rules should not be forced to live in poverty, and; We should not be have to shoulder unreasonable burden of paying for public services that should be the responsibility of the corporations that fight this initiative. Yet, these same corporations think nothing of the outrageous compensation of their CEO's. **For instance, it would take a minimum wage worker at Taco Bell more than 826 years of full time work to equal the 2004 compensation of its parent company CEO! At Home Depot, a minimum wage worker would have to work 3357 years to equal its CEO!** (source: Corporate Library)

According to CNN ("Mind the Gap"-01-27-2006), Arizona currently leads the nation in income gap between the rich and poor. This widening gap creates an increasing burden to the working people of Arizona who pay a disproportionate amount for public services, such as health care and food inspection. CNN continues to cite "a stagnant minimum wage as...disproportionately hurting the earnings of low and middle income households...which leads to increased rates of personal bankruptcy and higher divorce rates."

The unions of the Arizona AFL-CIO are proud to be leading the fight to accomplish what the Arizona Legislature has refused to do. We ask that all Arizonans join us in assuring that hard working Arizonans are given a hand up in the fight for economic justice.

Vote yes on Proposition 202!

Michael E. McGrath, Secretary/Treasurer,  
Arizona AFL-CIO, Tucson

Rebekah Friend, President, Arizona Arizona  
AFL-CIO, Mesa

*Paid for by "Arizona AFL-CIO"*

**VOTE YES ON PROPOSITION 202**

The Arizona United Food and Commercial Workers strongly urge a "yes" vote on Proposition 202 to increase the minimum wage to \$6.75 an hour.

Under Arizona's current minimum wage, a full-time employee, working 40 hours a week, earns less than \$11,000 a year in Arizona -- just \$11,000 a year to provide shelter, food, and clothes for themselves and their family. At Arizona's current minimum wage, most minimum wage workers struggle to make ends meet, often having to work 80 hours or more a week, leaving little time for family.

Arizona's minimum wage workers are single-parents struggling to put food on the table, senior citizens scraping by to cover the cost of their medicine, and first-generation university scholars working to pay for their tuition. These are hard working citizens who deserve a fair wage.

This is not a hand-out; it is simply paying a fair wage to those who work hard.

Raising Arizona's minimum wage to \$6.75 will show that we as Arizona's value hard work and believe that an honest day's work deserves an honest day's pay.

Arizona's United Food and Commercial Workers agree with the business owners, community leaders, religious leaders, elected officials, workers, and concerned Arizonans who believe that people who work hard deserve a fair wage.

**VOTE YES ON PROPOSITION 202**

Jim McLaughlin, President, UFCW Local 99,  
Gilbert

Mike Vespoli, Recorder, UFCW Local 99,  
Glendale

*Paid for by "UFCW"*

The minimum wage has been a key part of our nation's economy for over six decades. As a critical safeguard for America's low-wage workers, it has served as a basic statement of how we value work in this country. Stuck at \$5.15 an hour -- just \$10,712 a year - for almost a decade, the value of the minimum wage is now at its lowest point in 50 years. The decline of the minimum wage has been a major factor in the growth of income inequality in recent decades. As a recent letter signed by over 550 economists supporting an increase in the minimum wage stated, it "is causing hardship for low-wage workers and their families." The erosion of the wage floor has also helped fuel the proliferation of the low-wage, no benefits, high-turnover business model creating an irresistible incentive for employers to cut corners on labor costs rather than investing in a well-trained, stable workforce. In response, 20 states have already raised minimum wages above that of the federal standard, and over a dozen are currently considering such proposals.

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This proposal simply aims to restore a portion of the value that the minimum wage has lost over time because it has not kept up with the rising cost of living. The minimum wage has lost value every year since it was last increased and is now only 37 percent of the median hourly wage in Arizona. When the minimum wage was last increased in 1997, it was 52 percent of the state median wage. Setting a new minimum wage of \$6.75 an hour would help restore some of the buying power to this important wage floor. Indexing the minimum wage to inflation will protect our low wage workforce from losing ground each year as inflation eats away at their pay-checks.

Alicia Russel, Phoenix ACORN, Phoenix

*Paid for by "AZ ACORN Statewide"*

#### Minimum Wage Ballot Initiative Faith Response

There are many sound economic reasons to raise the minimum wage, but for persons of faith, it is a moral issue. Every religion tells its followers to pay workers fairly. Every religion warns against the exploitation of others for economic gain. Back in 1938, faithful citizens established the Fair Labor Standards Act, which included an hourly minimum wage for working people. The amount was based on how much it would cost to sustain the basic needs of a full time worker and his or her family. It wasn't about luxury but decency. It still is today. A nineteenth century visitor to the United States described us as "a nation with the soul of a church." The faith of the people he met here was publicly expressed in concern for the common good, including "the least among us." Helping others lift themselves out of poverty through an increase in the minimum wage is current proof that the faith our forebears is still with us today.

Rev. Trina Zelle, Interfaith Worker Justice of Arizona, Tempe

*Paid for by "Arizona Minimum Wage Coalition"*

#### **I am a small business owner and I am voting "YES" on Proposition 202 to raise Arizona's minimum wage.**

As a small business owner, I recognize the difficulties many small businesses face to stay afloat and profitable, but I know that raising the minimum wage will not adversely affect the success of a business. In fact, recent studies have shown that raising the minimum wage improves the standard of living of families without hurting businesses. (State Minimum Wages and Employment in Small Business, Fiscal Policy Institute, 4/21/04, [www.fiscalpolicy.org](http://www.fiscalpolicy.org))

Raising the minimum wage to \$6.75 would directly benefit 145,000 Arizonans and indirectly benefit hundreds of thousands more Arizonans as additional wages are increased.

The majority of workers who will benefit from this minimum wage increase are adults, mostly women, who are trying to support themselves and their families. In fact, nearly 25% of all minimum wage workers are single mothers, 74% of minimum wage workers are over the age of 20, and nearly two-thirds are women.

This initiative will not just benefit teenage workers who are getting their first job, this initiative will help every-day working men and women just trying to get by and often working paycheck to paycheck. Raising the minimum wage helps all Arizonans.

#### **Vote "YES" on Proposition 202. Raise Arizona's Minimum Wage.**

Richard Shapiro, Shapiro and Associates, Scottsdale

*Paid for by "Arizona Minimum Wage Coalition"*

#### Raising the Minimum Wage Benefits Retirees

The Arizona Alliance for Retired Americans supports the Minimum Wage Coalition in urging the voters of Arizona to raise the minimum wage from \$5.15 an hour to \$6.75 an hour, adjusted annually for inflation. Like all Arizonans, the Alliance values hard work and the pursuit of economic viability for all workers so that they and their families may enjoy lives of dignity, fulfillment, and security. Many minimum-wage workers care for the elderly, the very young, the sick and disabled in our state, and it is crucial that employees receive fair compensation to restore the sense of pride in their work for these indispensable workers.

Additionally, a growing trend is that many senior citizens are now among the minimum-wage workers. Senior citizens are returning to the workforce at a record pace to combat the rising cost of health care, to pay for basics like groceries and housing, or because their retirement benefits are not keeping up with the cost of living. In fact, working seniors, women (especially single mothers), rural workers, African Americans and Latinos are all groups with much higher proportions of minimum-wage workers than the general populace.

By voting yes on Proposition 202, we show that we truly value the hard work performed by Arizonans by increasing the minimum wage so that workers in our state will have the economic resources to take care of their families.

Doug Hart, President, Arizona Alliance for Retired Americans, Tempe

*Paid for by "Michelle Davidson"*

John Campbell, Vice President, Arizona Alliance for Retired Americans, Glendale

A majority of peer-reviewed studies - as well as evidence from the 20 states that have already raised their minimum wage - prove that modest increases in the minimum wage substantially benefit low-income workers and families without causing job loss or business flight. For example, recent studies have found that states that

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have higher than federal minimum wages continue to experience strong growth in employment, even in low-wage service sector industries. A study released this spring by the Fiscal Policy Institute found that states with minimum wages higher than the federal minimum wage had faster small business and retail job growth than states with minimum wages set the same as the federal.

When low wage workers get a raise, they spend that money in the local economy, providing an economic stimulus. Research and evidence from cities and states that have enacted wage increases indicates that increasing pay can also lead to reduced absenteeism and employee turnover as well as increased worker productivity. In the end, both workers and businesses stand to gain from modest minimum wage increases.

Nancy Cantor, Phoenix ACORN, Scottsdale

*Paid for by "AZ ACORN Statewide"*

Members of the Monsignor Edward J. Ryle Fund Committee urge Arizonans to support the ballot measure to establish a minimum wage in Arizona of \$6.75 per hour in 2007 with subsequent annual inflation adjustments. The federal standard of \$5.15 per hour that Arizona follows has not changed in nine years.

If you work, then you shouldn't be poor. When a worker earns the minimum wage, he or she is still below the federal poverty level with an annual income under \$11,000. A majority of minimum-wage earners are women. At this level, a family must struggle to meet even basic needs of food, shelter, transportation or clothing. Often, the family will be forced to seek state or federal subsidized services for health care, food, child care or rent assistance, to be certain there is food on the table or immunizations for the children. Establishing the minimum wage of a modest \$6.75 per hour in Arizona is necessary and the fair thing to do.

A local study conducted in 2002 by researchers from the University of Washington, found that two adult wage earners in a family of four each had to earn at least \$9 an hour in rural Arizona or at least \$12 an hour in the Phoenix metro area to be free of publicly funded services. Hopes that a vibrant economy would allow families to achieve this goal have not borne out. Many Arizona families remain in poverty, and household incomes have fallen since 2000. After nine years of a fixed minimum wage, it is time to raise it.

If you value those who work, play by the rules, and seek to be self-sufficient, we urge you to vote YES on the Arizona minimum wage ballot initiative.

Joe Anderson Chairman and CEO, Schaller  
Anderson, Inc., Monsignor Edward J. Ryle Fund  
Committee Member and Fund Advisor, Phoenix

Guy Mikkelsen, President and CEO,  
Foundation for Senior Living, Monsignor  
Edward J. Ryle Fund Committee Member and  
Fund Advisor, Phoenix

Eddie Sissons, Research Advisory Services,  
Monsignor Edward J. Ryle Fund Committee  
Member, Phoenix

*Paid for by "Arizona Minimum Wage Coalition"*

Argument FOR Ballot Measure I-13-2006

A full time worker making the current minimum wage of \$5.15 only earns \$10,712 per year – more than \$3,000 below the poverty line for a family of three. Today's minimum wage of \$5.15 is lower than the minimum wage of 1950, which would be \$6.30 in 2006 dollars. It would take \$9.31 today to match the buying power of the minimum wage of 1968. Every day without a minimum wage raise means another day choosing between rent and health care, putting food in the refrigerator or gas in the car. For every hour worked, a person making \$5.15 per hour can only afford 1 ¼ gallons of gas...that means that a minimum wage worker today has to work at least 1 hour each day to pay for their transportation.

Faith-based organizations and charities are straining to serve escalating requests for emergency food from their pantries and soup kitchens, especially from working people...Increasing the minimum wage by one dollar and sixty cents to \$6.75 per hour would mean an additional \$3,328.00 per year for full-time workers—money that could buy groceries, pay, rent, or otherwise help low-income workers in need.

The minimum wage is a bedrock moral value. It is immoral that workers who care for children, the ill and the elderly struggle to care for their own families. It's immoral that the minimum wage keeps people in poverty instead of out of poverty. A job should keep you out of poverty, not keep you in it.

We strongly encourage you to vote FOR an increase in the Arizona Minimum Wage – IT IS JUST THE RIGHT THING TO DO. Working should NEVER equal poverty!!

Tamera Zivic, PhD, WHEAT Executive Director,  
Phoenix

Cheryl Thompson, Chair, WHEAT Board of  
Directors, Phoenix

*Paid for by "WHEAT"*

Too many working families in Arizona struggle to provide the basic necessities for themselves and their families. Over 14 percent of Arizonans live in poverty, and almost 13 percent are hungry or at risk of hunger. A low minimum wage is a key part of this problem. Congress and our state elected officials have failed to raise the minimum wage in almost a decade; in the same time period, Congress has received a raise 9 times. The result is that even full time low wage workers are working harder for less and struggling to get by. We can do better.

Most of the workers who would benefit from the proposed minimum wage increase are adults earning the

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majority of their family's income. 74 percent of Arizona's workers earning less than \$7.00 an hour are 20 years and older. These workers do some of the hardest and most essential jobs that help keep our state's economy going. They care for our children and our elderly, serve our food, secure our buildings and clean our streets and offices. With a small adjustment to the minimum wage, Arizona can send a message that its citizens value work - and begin to ensure that those who work hard everyday and play by the rules are able to provide an adequate standard of living for themselves and their families. An estimated 303,000 Arizona workers would be affected by increasing the minimum wage to \$6.75 with an annual cost of living increase.

Lana Cudmore, Mesa ACORN, Mesa

*Paid for by "AZ ACORN Statewide"*

Arizona Green Party urges a YES vote on the minimum wage initiative.

There is nothing sacred about the relationship between an American worker and her boss. It is pure contract. And the state does have a role to play in contract law. That role is to assure fair play. And to look out for the future. Arizona Green Party has Future Focus as a key value, and we are very concerned about the direction that future has been heading. (Read more about Arizona Green Party values at [www.azgp.org](http://www.azgp.org).)

Because of decisions, made by politicians bought off by PACs, wealth has become too concentrated in the hands of the few, the rich, the crony. Which means less money in the pockets of the working poor, and the shrinking middle class. This has not happened by chance, but by deliberate political choices.

Among these decisions was allowing the minimum wage to dwindle, well below a living wage. And then, to insult the workers who are left with less, to imply that they live off of others. Teens at home, old folks on pensions, housewives looking for pin money, say the disparagers. Think about it. Folks struggling on inadequate, and shamefully low, wages, are forced to figure out how to get by. And then blamed and shamed for the decisions they make in getting by.

Next we're told that a decent minimum wage will "ruin the economy." Well "the economy" was in pretty good shape when the minimum wage was gauged to actually support working folks. Remember? For the Arizona Green Party position on other ballot issues please go to: [www.azgp.org](http://www.azgp.org).

Ignore the nonsense. Stand up for decency. Vote YES.

Robert Neal, Treasurer, Arizona Green Party, Tempe

*Paid for by "Arizona Green Party State Committee"*

### **ARGUMENTS "AGAINST" PROPOSITION 202**

Argument AGAINST Proposition 202

Fellow Arizonans join me in voting no on Proposition 202. Setting a state minimum wage at a rate that is almost 28% higher than the federal minimum wage and increasing it every year by indexing it to the cost of living is bad public policy. It will have severe damaging unintended consequences that our state cannot afford.

Most importantly it will make our already intolerable illegal alien crisis even worse. We will be providing the worst of both worlds in creating economic incentives that will only serve to further attract more illegal aliens.

On one hand many employers will find themselves forced to cut back on employment in order to accommodate the minimum wage. Unscrupulous employers will opt for employing illegals off the books at below minimum wage to maintain their business operations. This will be taking jobs away from our own citizens, promoting an expanded underground economy and depriving our state of tax revenue.

Just as important on the other hand is the enhancement to illegal employers to risk the consequences hiring of illegal aliens. By setting an artificially high minimum wage illegal aliens will now have a greater incentive to enter our country and enjoy even higher rewards for being here.

Making our state even more attractive to illegal immigration is something that makes no sense. Rather than creating more incentives for illegal aliens through the creation of an artificially high state minimum wage we should be pursuing policies to reduce the economic incentives for illegal aliens. What should be done is reduce government burden on small businesses and allow free-market concepts to work. That is what made America so great.

I urge fellow Arizonans to vote no on Proposition 202.

Representative Russell Pearce, Arizona House of Representative, Mesa

*Paid for by "Russell Pearce 2004"*

The Arizona Farm Bureau opposes proposition 202.

Minimum wage jobs are for part-time, very basic entry-level and transition positions.

From our review of the economic literature and research, minimum wage increases may create more pay for given parties, but it certainly reduces the creation of new jobs. Arbitrarily driving up wages also results in higher consumer prices that affect the poor and those on fixed incomes disproportionately.

Arizona voters should consider this perspective before automatically approving a measure that might seem intuitively appropriate on the surface.

Kevin G. Rogers, President, Arizona Farm  
Bureau, Mesa

James W. Klinker, Chief Administrative Officer,  
Arizona Farm Bureau, Mesa

*Paid for by "Arizona Farm Bureau Federation"*

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*Issued by: Secretary of State Jan Brewer*

The Arizona Tourism Alliance is opposed to the establishment of a state minimum wage law. Arizona's tourism and visitor industry is particularly vulnerable to the negative affects should this proposition pass and the resulting impact on Arizona's economy.

Setting a state minimum wage that is almost 28% higher than the federal level and indexing it to increase each year based on the cost of living is just not good public policy. It will raise labor costs in our industry and subject us to a competitive disadvantage with other states whose tourism and visitor industries are not subject to a state minimum wage.

Many Arizonans seek employment in the tourism and visitor industry as entry level and supplemental opportunities. Frequently our workforce represents individuals who are enrolled in school are single parents or other part time workers. By raising our costs of labor there would be pressure to eliminate these minimum compensation jobs thus depriving these people of much needed employment.

In addition the smallest of businesses that exceed the \$500,000 threshold could be placed in the position of adjusting their overall labor costs by cutting employee related expenses such as health care or pension benefits or rolling back the services they provide.

This combination of reduced jobs and potential lowering of benefits will have a negative affect on our industries and the people who work for us. That combination does not bode well for an industry that provides one of the top two economic engines in Arizona.

We urge its defeat.

Jody Harwood, President, Arizona Tourism  
Alliance, Phoenix

Karen Churchard, Executive Director, Arizona  
Tourism Alliance, Phoenix

*Paid for by "Arizona Tourism Alliance"*

Proposition 202 creating a minimum wage in Arizona at a level significantly above the federal minimum wage and indexing it to the cost of living is not in the best interest of jobs, the price of goods and services or the Arizona economy and should be defeated in November.

There is one thing we have learned throughout the history of our economic experience it is that wage and price regulation does not work to achieve the desired ends and invariably creates unintended consequences that damage the very people that the regulations were designed to protect.

By creating an artificially high minimum wage the state will be forcing businesses into making basic economic decisions that are not good for workers and not good for consumers. When the cost of producing goods and services is increased employers must compensate to maintain their businesses viability.

Those who believe that establishing a high state minimum wage will benefit workers in the lowest rung of jobs in Arizona are wrong. Creating a state minimum wage will put pressure on employers that will result in a reduction in the job pool, elimination of employee benefits and a softening of the economy in key employment areas like tourism, agriculture and construction.

Further the creation of a state minimum wage is bad for consumers. Artificially raising employer payroll expenses will result in higher prices of the impacted goods and services.

For these reasons I urge my fellow Arizonans to vote against Proposition 202.

Barry M. Aarons, Senior Fellow, Americans for Tax Reform, Phoenix

"Help wanted." The signs are plentiful, which is a great indication that Arizona's economy is doing well and that job seekers and employees are in an enviable position. Employers need to attract new employees and retain the current workforce. Employers are competing for employees and a very valuable tool in that competition is wage. Retailers, with very few exceptions, pay higher than minimum wage. But what will happen if the economy doesn't continue to keep the current pace? Under the current scenario employers have options, but certain operating expenses can only be marginally controlled. Retailers have adapted to the federal minimum wage, but other expenses have been increasing beyond any forecasting - gasoline costs, which increase the wholesale and transportation cost of goods, healthcare costs, energy costs to heat, cool and light facilities, and increasing competition from Internet sales. All these factors continue to chip away at the profitability of retailers and therefore reduce the options when the economy takes a turn for the worse. The minimum wage initiative will automatically increase wages on an annual basis and therefore add to the factors that retailers can only marginally control. The options left to businesses are to reduce payroll hours and/or reduce benefits. The Proponents of the minimum wage increase would not embrace either of these options. Regardless of the unintended consequences, the proponents want to encourage government intervention and increase demands on businesses.

Vote no on the minimum wage initiative and allow businesses to respond to the needs of employees.

Richard B. Mazzoni, President, Arizona  
Retailers Association, Scottsdale

Michelle A. Ahlmer, Secretary, Arizona  
Retailers Association, Mesa

*Paid for by "Arizona Retailers Association"*

The only relevant question when considering a wage hike is: will it work? In other words, will its benefits outweigh the costs? A brief examination proves the answer to be a resounding "no."

To begin with, the majority of the benefits would go to employees who are not poor. According to U.S. Census data, only 15% of minimum wage recipients are raising a family on the minimum wage. The remaining 85% are teenagers living with their working parents, adults living alone, or dual-earner married couples. U.S. Census

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data show that the average family income of a minimum wage recipient is almost \$46,000 a year.

Consequently, attempting to target poor families by manipulating wages is an inefficient means of addressing the problem.

Advocates supporting a minimum wage increase insist that millions of minimum wage employees have not received a raise since 1997. But research from Miami University of Ohio and Florida State University shows that every year nearly two-thirds of minimum wage employees receive an increase in pay.

Not only will a wage hike be inefficient, it will be downright harmful. Decades of economic research prove that employers will cut employment in response to a minimum wage increase. Researchers at Cornell University found that vulnerable groups of young adults without a high school degree and young black adults and teenagers suffered significantly more employment loss as a result of a minimum wage increase.

To maintain profits, employers cut entry-level positions, where employees are able to gain the skills necessary to improve their future earnings. Without this vital gateway into the labor force, these individuals will be deprived of future economic success. In this way, the employees the minimum wage is designed to help—the least skilled—are the ones it hurts the most.

Donald H. Ellis, Chairman of the Board, Mesa      Michael Head, Secretary, Scottsdale

*Paid for by "Arizona Restaurant & Hospitality Association"*

Decades of economic research prove that employers will cut employment in response to a minimum wage increase. In addition, employers will take the following steps, none of which is beneficial to low-skill employees:

**Hire skilled applicants with more experience**, rather than taking a chance on individuals with little education or experience. The displacement of these less-skilled employees is seen in the higher employment loss for vulnerable groups such as teens, minority teens, and adults without a high school diploma.

**Automate services once performed by entry-level employees.** Self-service gas stations, automated phone systems, automatic teller machines, self-service soda fountains, and self-checkout lanes at grocery stores are all examples of the automation of jobs that were once held by low-skilled, entry-level individuals. In these positions, employees were able to gain the skills necessary to improve their future earnings. Without this vital gateway into the labor force, these individuals will be deprived of future economic success.

**Cut back on customer service.**

It has become quite common for customers at fast-food restaurants to bus their own tables. Baggers at many grocery stores have been eliminated. Forced to pay high mandated wages, employers are choosing to cut back on services rather than raise prices.

This results in fewer opportunities for low-skilled Americans.

This clearly demonstrates why a mandated minimum wage increase with automatic annual increases isn't the answer to an employee's compensation.

Steve Chucuri, Chairman, Jobs First Against I-13-2006, Mesa

*Paid for by "Jobs First Against I-13-2006"*

The Arizona Chamber of Commerce and Industry urges Arizona voters to reject the creation of a reckless and job-killing state minimum wage and vote NO on Proposition 202.

Proposition 202 is reckless not only because it establishes an uncompetitive minimum wage rate but because it threatens to undermine worker benefits, especially health care coverage. With its passage, small businesses will be forced to cut costs by scaling back or, more likely, eliminating expensive employer benefits. With Arizona's large number of uninsured, coupled with double-digit annual increases in the cost of health care coverage, Proposition 202 recklessly threatens the health and welfare of our workers and their families.

Moreover, Proposition 202 is a job-killer, targeting our least-skilled and most vulnerable workers. Now Arizona employers can recruit workers at the beginning of their careers, before they have acquired the skills and experience to command higher wages and salaries. Most often these workers are young people just entering the workforce. Proposition 202 will make it harder for small businesses to hire these workers especially during any future downturn in our economy. Government should not be in the business of setting wages.

**Proposition 202's creation of a much higher minimum wage seems like an attractive idea, but there will be a cost that regrettably will be borne by the very workers it's promised to benefit.** That is why the Arizona Chamber of Commerce and Industry recommends a NO vote on Proposition 202.

Steve Twist, Chairman of Board of Directors,  
Arizona Chamber of Commerce and Industry,  
Scottsdale

James J. Apperson, President & CEO, Arizona  
Chamber of Commerce and Industry,  
Scottsdale

*Paid for by "Arizona Chamber of Commerce"*

Minimum wage laws are a primary reason for the demise of rural and inner city communities. These are low rent areas where the cost of living can be ten to twenty times less than expensive city areas.

The low cost areas began to fail with the advent of minimum wage. The slow paced stores, cafes, gas stations closed. These communities unraveled as businesses and job mentors left. Learning a work ethic was lost as the young were unable to find entry level jobs. Vandalism and crime followed. Tens of thousands of businesses and homes were boarded up or bulldozed. Government spent billions trying to revitalize inner cities.

Rural dwellers that once drove five miles to shop, must now drive fifty or more. The poor and the young lack

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transportation to jobs and shopping.

Imagine having a home that rents for \$300 in a country town with a nearby easy-going job. It's possible without minimum wage. Walmart aggressively supports minimum wage increases, which suppress community stores with lower revenue.

The stores, motels, and hotels that survive have become havens for hard-working Asian families. The children and the elderly pitch in with stocking and cleaning without pay. Cultural groups without these values get edged out, creating tensions. Stereotyping and classification result.

Having thousands of mom and pop businesses over a diverse area provided shopping and services to bus travelers. Bus stations closed.

Inner city areas and small towns had character and personality. Big box stores and corporate chains are the same everywhere. They're impersonal, abusive to employees, and move us to foreign products over U.S. manufacturing.

Minimum wage laws disproportionately hurt the poor, create waste and reliance on automobiles and foreign goods, divide cultural groups, and interfere with natural entry level job training. No to minimum wage!

David Weary, Tempe

There is no quicker way to increase poverty, cut health benefits for workers, and chop employment opportunities than to increase the minimum wage. But this ballot initiative goes a big step farther in making the pain permanent, by linking all future increases to rises in the Consumer Price Index. When voters in Washington state did this in 1998, Ohio University Professors Richard Vedder and Lowell Galloway found four years later that it had increased poverty, not alleviated it. In their report, *The Economic Impact of Washington's Minimum Wage Law*, the professors found that the CPI linkage increased poverty by "largely creating unemployment and reduced hours for workers ... Some occupations relying heavily on relatively less-skilled labor were particularly impacted." Despite its media portrayal, the minimum-wage rate is an entry-level wage, not a living- or family-sustaining wage. As the U.S. Bureau of Labor Statistics puts it in its *Characteristics of Minimum Wage Workers* 2003 study, "Minimum-wage workers tend to be young. Slightly over half of workers earning \$5.15 or less were under age 25, and about one-fourth were age 16-19 ... Never-married workers, who also tend to be quite young, were more likely to earn the minimum wage than persons who are married." As Lawrence McQuillan of the Pacific Research Institute wrote, "Businesses offer the mix of wages and benefits necessary to attract an optimal workforce. After a minimum-wage hike, many businesses cut training, health care benefits, and other perks for low-income workers to offset the mandated pay increase. Although many of these workers might prefer health insurance to more pay, they have no say in the matter since businesses must pay the legal minimum." This is a bad initiative for every Arizonan. Vote no.

Michelle Bolton, State Director of the National Federation of Independent Business, Phoenix

I ask you to join me in voting AGAINST this initiative that would create a harmful effect on the small business owners, entry level workers and the economy of our state. We are now experiencing an economic boom due in large part to the actions of our Republican Legislature who battled with the current government to force a reduction in taxes. Their refusal to implement another series of new programs proposed by Napolitano has limited future tax increases and allowed employers to plan expansion with comfort.

Now the friends of the governor – the lobbyists and labor bosses who are her main supporters – have decided to take another swipe at the entrepreneurial spirit of our state with this ill conceived measure. It is established without doubt that the success of our nation and state is the economic model that is founded on the free enterprise system. Whenever government injects itself into that model with intrusive regulations and rules, the economic life blood is harmed.

I call on you to defeat this attack on the small business owners that provide eighty percent of all new jobs. The governor and her friends would do better to reform our education system so that we are graduating students to meet the modern work force needs. Passage of this measure would drastically harm the ability of our state to attract new businesses to relocate or start up in our state.

I ask you to join me in voting AGAINST this measure and vote FOR a more vibrant economy. \*\*Paid for by Goldwater for Governor Committee.\*\*

Don Goldwater, Goldwater for Governor, Laveen

This proposition should be called the "Illegal Immigration Incentive and Rewards Act."

Arizona is on the frontlines of illegal immigration. We have hundreds of miles of lightly guarded border; thousands of illegals cross daily, most of whom continue on to other parts of the country.

However, if Prop 202 passes, that will change. Rather than following federal minimum wage law, Arizona will rocket to one of the highest in the nation. Illegals will have a strong financial reason to stay here.

After 2007, no other border state will pay as much as Arizona. Illegals will have to travel 1,000 miles to Washington State or 2,000 miles to Vermont to find a job that pays more than Arizona. Why would they?

Arizona will become an even greater magnet for illegal immigration.

Unscrupulous people will pay illegals "cash under the table" to avoid the minimum wage. But illegals will still be paid more than surrounding states. This law will provide an even greater incentive to hire illegals, especially with little enforcement.

But wait, there's more...

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Amazingly, this proposition says every PERSON shall receive a minimum wage, not just citizens. If an illegal is ever fired (i.e. if Arizona finally cracks down on illegal immigration) this proposition allows the illegal to sue or force the state to sue on their behalf (at taxpayers' expense), and the court is REQUIRED to award them 2-3 times their total pay at Arizona's higher minimum wage. This is the new Global Communism.

Why would an illegal ever go anywhere else for a job? In Arizona they'll get a bonus if they get caught!

Let's get our priorities straight: enforce our border, and don't give benefits to lawbreakers. Vote NO on Prop 202.

Sen. Dean Martin, Chairman, Senate Finance Committee, Phoenix

**BALLOT FORMAT**

**PROPOSITION 202**

**PROPOSED AMENDMENT BY INITIATIVE PETITION**

**OFFICIAL TITLE**

AN INITIATIVE MEASURE  
REPEALING SECTION 23-362, AMENDING BY ADDING NEW  
SECTION 23-362 RELATING TO THE ARIZONA MINIMUM  
WAGE ACT

**DESCRIPTIVE TITLE**

RAISES MINIMUM WAGE TO \$6.75 PER HOUR BEGINNING  
JANUARY 1, 2007, WITH CERTAIN EXCEPTIONS; PROVIDES  
YEARLY ANNUAL COST OF LIVING INCREASES; REQUIRES  
THAT EMPLOYERS POST NOTICE ABOUT EMPLOYEE  
RIGHTS; ESTABLISHES PENALTIES AND PERMITS PRIVATE  
LAWSUITS AND ENFORCEMENT BY THE INDUSTRIAL COM-  
MISSION.

**PROPOSITION 202**

A "yes" vote shall have the effect of raising the  
minimum wage to \$6.75 per hour with certain  
exceptions beginning January 1, 2007, providing  
for yearly minimum wage cost of living increases,  
requiring employers to post notice about  
employee minimum wage rights, establishing pen-  
alties for violations of the law and permitting pri-  
vate lawsuits to enforce the law.

**YES** ☐

A "no" vote shall have the effect of continuing to  
follow existing federal minimum wage laws, which  
currently provide a minimum wage of \$5.15 per  
hour.

**NO** ☐

**PROPOSITION 202**

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